

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

31 DECEMBER 2014

Company No.

247079	M
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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 31 December 2014.

The interim report is prepared in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia's Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report.

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended	3 months ended	12 months ended	12 months ended
		Restated	Restated	Audited	Audited
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		RM'000	RM'000	RM'000	RM'000
Revenue		718,315	633,716	2,640,958	2,331,648
Cost of sales		(486,281)	(453,430)	(1,767,013)	(1,634,209)
Gross profit		232,034	180,286	873,945	697,439
Administration and Other operating expenses		(173,770)	(139,176)	(684,820)	(582,777)
Other income		17,379	7,799	36,156	26,232
Operating profit		75,643	48,909	225,281	140,894
Finance Income		2,973	1,879	12,095	10,570
Finance cost		(23,568)	(14,809)	(61,917)	(38,765)
Finance costs – net		(20,595)	(12,930)	(49,822)	(28,195)
Associates - share of results		15,713	21,837	42,392	46,858
Profit before zakat and tax	B1	70,761	57,816	217,851	159,557
Zakat		(877)	(835)	(2,272)	(1,825)
Income tax expense	B5	(23,199)	(22,949)	(64,984)	(47,367)
Profit net of tax		46,685	34,032	150,595	110,365
Other comprehensive income		8,257	1,834	5,436	2,997
Total comprehensive income for the period		54,942	35,866	156,031	113,362

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	Note	<u>Individual Quarter</u> <u>3 months ended</u> <u>Restated</u>		<u>Cumulative Quarter</u> <u>12 months ended</u> <u>Audited</u>	
		<u>31.12.2014</u> RM'000	<u>31.12.2013</u> RM'000	<u>31.12.2014</u> RM'000	<u>31.12.2013</u> RM'000
Profit attributable to:					
Equity holders of the Company		46,577	33,312	139,667	103,114
Minority interest		108	720	10,928	7,251
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>46,685</u>	<u>34,032</u>	<u>150,595</u>	<u>110,365</u>
Total comprehensive income attributable to:					
Equity holders of the Company		54,834	35,459	145,103	106,424
Minority interest		108	407	10,928	6,938
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>54,942</u>	<u>35,866</u>	<u>156,031</u>	<u>113,362</u>
Dividend per share (sen)	A7	<u>2.00</u>	<u>2.00</u>	<u>4.90</u>	<u>10.00</u>
Earnings per share (sen)	B11				
- Basic					
- at par value RM0.50		4.52	3.39	13.55	10.50
- Diluted					
- at par value RM0.50		<u>4.16</u>	<u>3.07</u>	<u>12.46</u>	<u>9.50</u>

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	<u>Note</u>	<u>31.12.2014</u>	<u>Audited</u> <u>31.12.2013</u>
		RM'000	Restated RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	1,502,411	1,227,722
Investment properties		269,811	62,746
Interest in associates		489,398	475,536
Available-for-sale financial assets		282	554
Intangible assets		245,466	235,957
Deferred tax assets		27,443	25,678
		<u>2,534,811</u>	<u>2,028,193</u>
Current assets			
Inventories		45,483	52,837
Receivables, deposits and prepayments		468,089	427,430
Tax refund receivable		19,128	18,169
Deposit, cash and bank balances		298,864	312,965
		<u>831,564</u>	<u>811,401</u>
Non-current assets held for sale		0	2,013
		<u>831,564</u>	<u>813,414</u>
Total assets		<u><u>3,366,375</u></u>	<u><u>2,841,607</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	A6	515,374	490,955
Reserves		793,933	596,955
		<u>1,309,307</u>	<u>1,087,910</u>
Less: Treasury Shares		(53,981)	(364)
Total equity attributable to shareholders of the Company		<u>1,255,326</u>	<u>1,087,546</u>
Minority interest		<u>95,909</u>	<u>84,981</u>
Total equity		<u><u>1,351,235</u></u>	<u><u>1,172,527</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings	B7	335,076	668,870
Deposits		18,946	17,253
Deferred tax liabilities		45,905	47,153
		<u>399,927</u>	<u>733,276</u>

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	<u>31.12.2014</u> RM'000	<u>Audited</u> <u>31.12.2013</u> RM'000
Current liabilities		
Payables	596,528	489,963
Borrowings	B7	
- bank overdrafts	6,226	8,140
- others	903,979	350,482
Current tax liabilities	20,410	11,951
Deferred revenue	67,766	62,177
Dividend Payable	20,304	13,091
	<u>1,615,213</u>	<u>935,804</u>
Total liabilities	<u>2,015,140</u>	<u>1,669,080</u>
Total equity and liabilities	<u>3,366,375</u>	<u>2,841,607</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
- at par value RM0.50	1.22	1.11

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

Note	Attributable to shareholders of the Company													
	Issued and fully paid ordinary shares of RM0.50 each			Non-distributable						Distributable			Non-Controlling Interest	Total equity
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Warrant reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000			
At 1 January 2014	981,910	490,955	-	(364)	-	(3,367)	3,285	50,415	546,622	1,087,546	84,981	1,172,527		
Total comprehensive income for the period	-	-	-	-	-	-	359	5,077	139,667	145,103	10,928	156,031		
Rights Issue	43,637	21,819	37,528	-	62,838	-	-	-	-	122,185	-	122,185		
Right Issue expenses	-	-	(1,979)	-	-	-	-	-	-	(1,979)	-	(1,979)		
Issue of shares:														
- exercise of share warrants	5,201	2,600	3,329	-	-	-	-	-	-	5,929	-	5,929		
- shares bought back	-	-	-	(53,617)	-	-	-	-	-	(53,617)	-	(53,617)		
Dividend in respect of the financial year ending: 31 December 2014														
- 1st Interim	-	-	-	-	-	-	-	-	(14,826)	(14,826)	-	(14,826)		
- 2nd Interim	-	-	-	-	-	-	-	-	(14,712)	(14,712)	-	(14,712)		
- 3rd Interim	-	-	-	-	-	-	-	-	(20,303)	(20,303)	-	(20,303)		
	-	-	-	-	-	-	-	-	(49,841)	(49,841)	-	(49,841)		
At 31 December 2014	1,030,748	515,374	38,878	(53,981)	62,838	(3,367)	3,644	55,492	636,448	1,255,326	95,909	1,351,235		

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

Note	Attributable to shareholders of the Company										
	Issued and fully paid ordinary shares of RM0.50 each			Non-distributable				Distributable		Non- Controlling Interest RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2013	646,182	323,091	142,266	(23)	(3,367)	(25)	50,415	518,546	1,030,903	67,528	1,098,431
Total comprehensive income for the period	-	-	-	-	-	3,310	-	103,114	106,424	6,938	113,362
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	10,262	10,262
Transaction with NCI	-	-	-	-	-	-	-	1,447	1,447	253	1,700
Issue of shares:											
- exercise of share warrants	8,448	4,224	10,138	-	-	-	-	-	14,362	-	14,362
- shares bought back	-	-	-	(341)	-	-	-	-	(341)	-	(341)
Bonus Issue	327,280	163,640	(152,404)	-	-	-	-	(11,236)	-	-	-
Dividend in respect of the financial year ended:											
31 December 2012											
- 4th Interim	-	-	-	-	-	-	-	(26,014)	(26,014)	-	(26,014)
31 December 2013											
- 1st Interim	-	-	-	-	-	-	-	(13,060)	(13,060)	-	(13,060)
- 2nd Interim	-	-	-	-	-	-	-	(13,084)	(13,084)	-	(13,084)
- 3rd Interim	-	-	-	-	-	-	-	(13,091)	(13,091)	-	(13,091)
	-	-	-	-	-	-	-	(65,249)	(65,249)	-	(65,249)
At 31 December 2013	981,910	490,955	-	(364)	(3,367)	3,285	50,415	546,622	1,087,546	84,981	1,172,527

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	<u>12 months ended</u>	
	<u>31.12.2014</u>	<u>31.12.2013</u>
	RM'000	<u>Audited</u> RM'000
OPERATING ACTIVITIES		
Profit for the financial year attributable to equity holders of the Company	150,595	110,365
Adjustments for:		
Zakat	2,272	1,825
Taxation	64,984	47,367
Associated companies	(42,392)	(46,858)
Finance income	(12,095)	(10,570)
Finance costs	61,917	38,765
Allowance for doubtful debts	6,622	8,238
Reversal of impairment loss of trade receivables	-	(1,754)
Gain on fair value on investment properties	(12,579)	(646)
Gain on disposal of shares in an associate	(1,209)	(1,306)
Loss on disposal of property, plant and equipment	-	104
Property, plant and equipment		
- depreciation	107,120	93,061
- written off	33	519
Inventories written off	96	157
Available-for-sale financial assets written off	-	2,520
Amortisation of intangible assets	1,140	1,049
Amortisation of deferred consultancy expenses	-	(309)
Operating profit before changes in working capital	<u>326,504</u>	<u>242,527</u>
Changes in working capital:		
Inventories	7,354	5,061
Receivables	(40,659)	(101,172)
Payables	8,855	58,350
Deferred revenue	5,589	1,044
Cash from operations	<u>307,643</u>	<u>205,810</u>
Interest received	12,095	10,570
Zakat paid	(2,272)	(1,825)
Income tax refund	-	10,170
Income tax paid	(66,256)	(70,642)
Net cash from operating activities	<u>251,210</u>	<u>154,083</u>

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (CONTINUED)

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	Audited RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(274,689)	(301,428)
Purchase of intangible assets	(9,509)	(15,574)
Purchase of investment property	(207,065)	(8,982)
Purchase of other assets	-	(6,351)
Proceeds from disposal of property, plant and equipment	-	1,511
Acquisition of subsidiary company, net of cash acquired	(16,516)	(70,809)
Proceeds from disposal of shares in an associate	5,826	16,382
Dividends received	41,424	32,913
Net cash used in investing activities	<u>(460,529)</u>	<u>(352,338)</u>
FINANCING ACTIVITIES		
Issuance of shares		
- right issues	122,185	-
- exercise of share warrants	5,929	14,362
Purchase of treasury shares	(53,617)	(341)
Bank borrowings		
- drawdown	685,914	535,904
- repayment	(471,824)	(145,561)
Dividend paid to shareholders	(29,538)	(68,312)
Interest paid	(61,917)	(38,765)
Net cash from financing activities	<u>197,132</u>	<u>297,287</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(12,187)	99,032
CURRENCY TRANSLATION DIFFERENCES	-	5,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	304,825	200,414
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>292,638</u>	<u>304,825</u>
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	126,192	157,972
Cash and bank balances	172,672	154,993
Deposits, cash and bank balances	<u>298,864</u>	<u>312,965</u>
Bank overdraft	(6,226)	(8,140)
less: Deposits pledged with licensed banks	<u>292,638</u>	<u>304,825</u>
	(8,701)	(5,299)
CASH AND CASH EQUIVALENTS	<u>283,937</u>	<u>299,526</u>

KPJ HEALTHCARE BERHAD

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014****A1 BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2013 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - Malaysian Financial Reporting Standards ("MFRS"), Amendments to standards and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the:

Financial periods beginning on or after 1 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
IC Interpretation 21	Levies

To be announced

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 9	Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139

The adoption of the above standards and interpretations will have no material impact on the interim financial report in the period of initial application.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding annual financial statements was not qualified.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations have not been significantly affected by any seasonal or cyclical trend.

A4 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items, transactions or events of a material and unusual nature which would substantially affect the earnings, revenue, assets, liabilities, equity or cash flows of the Group for the current financial period under review.

KPJ HEALTHCARE BERHAD

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A5 CHANGE IN ACCOUNTING ESTIMATES

There is no change in the estimates of amounts reported in prior interim periods of the current financial period or change of estimates of amounts reported in prior financial years that has a material effect in the current financial period under review.

A6 DEBT AND EQUITY SECURITIES

There has been no issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company in the current financial period under review, except for the followings:

i. Treasury Shares

On 10 June 2014, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy-back its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

Up to 31 December 2014, 15,520,000 units of KPJ Healthcare Berhad shares were bought by the Company from the open market, listed on the Main Market of Bursa Listed Securities Berhad, at an average buy-back price of RM3.45 per share for a total consideration of RM53,617,208 including transaction cost and was financed by internally generated fund. The shares were retained as treasury shares.

ii. Share split, bonus issue and free warrants (2010)

Share Split

On 15 January 2010, the Company has subdivided its existing 211,050,615 ordinary shares of RM1 each into 422,101,230 ordinary shares of RM0.50 each ("Share Split").

Bonus Issue

On the same date, the Company issued bonus shares of up to 105,525,308 new ordinary shares of RM0.50 each, which credited as fully paid up by the Company, on the basis of one (1) Bonus Shares for every four (4) shares held by the entitled shareholders of the Company after the share split ("Bonus Issue").

Free Warrants (2010/2015)

On the same date, the Company issued up to 131,906,635 free warrants on the basis of one (1) free warrant for every four (4) shares held by the entitled shareholders of the Company after the Share Split and Bonus Issue.

The warrants exercise period is five years commencing from the offer date. Warrant exercise price is 15% discount to the theoretical ex-all price based on five-day volume weighted-average market price up to and including 20 November 2009 ("price fixing date").

Subsequent to the Bonus Issue in December 2013, the exercise price of the warrants is now revised to RM1.13 per units (converted into ordinary share at par value RM0.50).

The new shares issued arising from the Share Split, Bonus Issue and Free Warrants exercised shall upon issue and allotment, rank pari passu in all respects.

Pursuant to the terms and conditions stipulated in the Deed Poll dated 29 October 2009, the subscription rights of the Warrants expired on Monday, 12 January 2015. As at this expiry date, the total number of unexercised warrants is 101,091.

Hence, this completed the corporate exercise which started in 2010.

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A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

iii. Bonus issue, Rights issue and free warrants (2013)Bonus Issue

On 29 July 2013, the shareholders of KPJ Healthcare Berhad ("KPJ"), have approved the listing of Bonus Issue up to 327,279,946 new shares ("Bonus Shares"), to be credited as fully paid up by the Company, on the basis of one (1) Bonus Share for every two (2) Shares held by the entitled shareholders of the Company on the Entitlement Date of 26 December 2013.

The transactions were completed on 27 December 2013 with listing of 327,279,946 Bonus Shares and 2,451,551 additional warrants 2010/2015 consequential to the Bonus Issue.

Rights Issue

On 29 January 2014, 43,637,326 Rights Shares and 87,274,652 New Warrants as well as 96,098 additional warrants 2010/2015 consequential to the Rights Issue were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

The issue price of RM2.80 for the Right Shares are arrived based on a discount of approximately thirty percent (30%) over the theoretical ex-all price of the shares (after taking into account the Proposed Bonus Issue) based on the five (5) days volume weighted average market price ("VWAP") of the shares immediately preceding the price fixing date.

Free Warrants (2014/2019)

On 29 January 2014, Warrants 2014/2019 are issued for free to the subscribers of the renounceable rights issue of 43,637,326 new ordinary shares of RM0.50 each in KPJ Healthcare Berhad Rights Shares on the basis of one (1) Rights Share for every fifteen (15) existing KPJ Shares held by the entitled shareholders of the Company, together with 87,274,652 free detachable new warrants ("Warrant(s) 2014/2019") on the basis of two (2) Warrants 2014/2019 for every one (1) Rights Share subscribed at an issue price of RM2.80 per Rights Share ("Rights Issue").

The number of issued and paid up ordinary share capital as a result of the above mentioned Corporate Exercise is as follows:

	<u>31.12.2014</u>	<u>31.12.2014</u>
	Number of shares ('000)	RM'000
<u>Ordinary shares of RM0.50 each</u>		
At start of the financial period	981,910	490,955
Issued during the financial period		
- exercise of Free Warrants (1 free warrant for every 4 shares) (ii)	5,201	2,600
- Rights Issue (1 rights share for every 15 shares) (iii)	43,637	21,819
At end of financial period	<u>1,030,748</u>	<u>515,374</u>

Balance of free warrants which have yet to be exercised at the end of the financial period is disclosed in Note B6.

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

iv. Employees Share Option Scheme (ESOS)

On 21 October 2014, Board of Directors announced that the Company proposes to undertake the following:-

i. Proposed establishment of an employees' share option scheme of up to 10.0% of the enlarged issued and paid-up share capital of KPJ, to be granted to eligible directors and employees of KPJ and its subsidiaries ("KPJ Group"), which are not dormant;

ii. Proposed restricted issue via Section 132D of the Companies Act, 1965 of up to 28,000,000 new ordinary shares of RM0.50 each in KPJ, representing approximately 2.5% of the issued and paid-up share capital, to selected resident consultants of KPJ Group; and

iii. Proposed amendment to the Articles of Association.

The listing proposals was submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 23 October 2014 and approved on 31 October 2014 by ensuring full compliance of all the requirements as provided under the Main Market Listing Requirements of Bursa Securities at all times.

The proposed combination of New Issue of Securities is expected to be completed in the first (1st) quarter of 2015.

A7 DIVIDENDS PAID

In respect of the financial year ending 31 December 2014, the Directors declared:

- (i) 1st interim single tier dividend of 1.45 cents per share on 1,022,500,184 ordinary shares amounting to RM14,826,250. The dividend was declared on 26 May 2014 and was fully paid on 18 July 2014.
- (ii) 2nd interim single tier dividend of 1.45 cents per share on 1,014,618,755 ordinary shares amounting to RM14,711,970. The dividend was declared on 26 August 2014 and was fully paid on 21 October 2014.
- (iii) 3rd interim single tier dividend of 2.00 cents per share on 1,015,157,631 ordinary shares amounting to RM20,303,153. The dividend was declared on 26 November 2014 and was fully paid on 22 January 2015.

The total interim dividend declared for financial year ended 31 December 2014 is 4.90 cents per RM0.50 ordinary shares, bringing a total of RM49,841,373, and was fully paid to our shareholders.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

A8 SEGMENT REPORTING

The chief operating decision-maker has been identified as the management committee. This committee reviews the Group's internal reports in order to assess the Group's performance and allocate resources. The committee considers both geographic and nature of the business.

The Group principally operates in one main business segment namely the operating of specialist hospitals. This business segment is segregated geographically to Malaysia, Indonesia and Thailand. Other operations of the Group mainly comprise of the provision of hospital management services, pathology and laboratory services, marketing and distribution of pharmaceutical, medical and surgical products and operating a private university college of nursing and allied health and also providing retirement village and aged care facility services in Australia.

31 December
2014

	← Hospitals →			Aged Care Facility Australia (RM'000)	Support Services, Corporate & Others (RM'000)	Adjustments/ Elimination (RM'000)	Group (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)	Thailand (RM'000)				
Revenue	2,362,053	41,010	0	29,503	813,271	(604,879)	2,640,958
Intersegment revenue	0	0	0	0	(52,708)	52,708	0
External revenue	<u>2,362,053</u>	<u>41,010</u>	<u>0</u>	<u>29,503</u>	<u>760,563</u>	<u>(552,171)</u>	<u>2,640,958</u>
Profit/(loss) for the period	205,366	(2,484)	2,426	(4,817)	108,672	(158,568)	150,595

31 December
2013 (Audited)

	← Hospitals →			Aged Care Facility Australia (RM'000)	Support Services, Corporate & Others (RM'000)	Adjustments/ Elimination (RM'000)	Group (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)	Thailand (RM'000)				
Revenue	2,054,299	33,545	0	27,971	779,978	(564,145)	2,331,648
Intersegment revenue	0	0	0	0	(37,933)	37,933	0
External revenue	<u>2,054,299</u>	<u>33,545</u>	<u>0</u>	<u>27,971</u>	<u>742,045</u>	<u>(526,212)</u>	<u>2,331,648</u>
Profit/(loss) for the period	152,745	(6,955)	3,216	(6,516)	104,073	(136,198)	110,365

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KPJ HEALTHCARE BERHAD

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The freehold land, long leasehold land and buildings were re-valued by the Directors on 31 December 2010 based on open market valuations carried out by an independent firm of professional valuers, CH Williams, Talhar & Wong of 3228, Menara Tun Razak, Jalan Raja Laut, 50768 Kuala Lumpur to reflect market value for existing use. The valuations made are in compliance with the Group policy to revalue freehold land, long leasehold land and building once in every 5 years.

The valuations of property, plant and equipment have been brought forward without amendment from the last audited financial statement for the year ended 31 December 2010.

A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the financial period ended 31 December 2014 that has not been reflected in the interim financial reports, except as stated in note B6.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during current quarter.

A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 31 December 2013 except as stated in note B9.

A13 CAPITAL COMMITMENT

Capital expenditures not provided for in the interim financial report as at 31 December 2014 are as follows:

	RM'000
Approved and contracted	54,970
Approved but not contracted	180,740
	<hr/>
	235,710
	<hr/> <hr/>

Analysed as follows:

Building	127,465
Medical equipment	33,079
Other property, plant and equipment	75,166
	<hr/>
	235,710
	<hr/> <hr/>

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KPJ HEALTHCARE BERHAD

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

The profit before taxation for the current quarter of RM70.8 million has increased by 22% as compared to the corresponding quarter in 2013 of RM57.8 million. The increase in the net profit before tax is in line with the increase in revenue and contribution from the hospitals with the inclusive of gain on fair value adjustments in relation to newly acquired investment properties i.e. office tower at Menara 238 with the amount of RM10.8 million and in relation to investment properties of an associate, Al-'Aqar Healthcare REIT, amounting to RM5.6 million in the current quarter.

Additional Information As Required By Appendix 9B of Bursa Malaysia Listing Requirements

a. Current financial period compared to last financial period (twelve months)

The Group recorded revenue of RM2,641.0 million for 12 months ended 31 December 2014 with an increase of 13% from RM2,331.6 million as reported for 2013. The higher revenue for the period is mainly due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Malaysia

The Malaysian segment revenue for 12 months ended 31 December 2014 has increased by 15% to RM2,362.1 million compared with RM2,054.3 million as reported in 2013. The higher revenue reported is due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Indonesia

The Indonesian segment revenue of RM41.0 million for 12 months ended 31 December 2014 is 22% higher than the revenue reported in 2013 of RM33.5 million. The increase in revenue from this segment is due to the increase in activity in both hospitals in Jakarta.

Aged Care Facility

The Aged Care Facility segment revenue for 12 months ended 31 December 2014 is RM29.5 million, 5% higher than the revenue reported in 2013 of RM28.0 million which is in line with the increase in activity at the facility.

Support Services, Corporate and Others

The revenue from Support Services, Corporate and Others segment of RM760.6 million for 12 months ended 31 December 2014 is 3% higher, compared to revenue from the same period in 2013 of RM742.0 million. Marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services contributed to the revenue growth of this segment, which has increased in line with the increase in revenue of the hospitals within the Group.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONTINUED)

b. Current quarter compared with the corresponding quarter of the preceding year (three months)

The Group recorded revenue of RM718.3 million for 3 months ended 31 December 2014 with an increase of 13% from RM633.7 million as reported for 2013. The higher revenue for the period is mainly due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Malaysia

The Malaysian segment revenue for 3 months ended 31 December 2014 has increased by 14% to RM622.3 million compared with RM547.9 million as reported in 2013. The higher revenue reported is due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Indonesia

The Indonesian segment revenue of RM9.5 million for 3 months ended 31 December 2014 is 16% higher than the revenue reported in 2013 of RM8.2 million. The increase in revenue from this segment is due to the increase in activity in both hospitals in Jakarta.

Aged Care Facility

The Aged Care Facility segment revenue for 3 months ended 31 December 2014 is decrease by RM1.2 million, 163% lower than the revenue reported in 2013 of RM1.9 million which is due to the reclassification of revenue item to other income at the end of year 2014.

Support Services, Corporate and Others

The revenue from Support Services, Corporate and Others segment of RM302.7 million for 3 months ended 31 December 2014 is 3% higher, compared to revenue from the same period in 2013 of RM292.9 million. Marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services contributed to the revenue growth of this segment, which has increased in line with the increase in revenue of the hospitals within the Group.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM70.8 million increased by 38% as compared to the preceding quarter of RM51.4 million. The increase in the net profit before tax is in line with the increase in revenue and contribution from the hospitals with the inclusive of gain on fair value adjustments in relation to newly acquired investment properties i.e. office tower at Menara 238 with the amount of RM10.8 million and in relation to investment properties of an associate, Al-'Aqar Healthcare REIT, amounting to RM5.6 million in the current quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B3 CURRENT YEAR PROSPECTS

In the year 2014, it was evidenced that the demand for healthcare services has increased in line with the population growth, better life expectancy, rapid ageing and the rising of middle income group. It is anticipated that this rising trend will continue in the year 2015.

In line with the continuous demand, expansion of existing hospitals and building new hospitals will remain to be the Group core strategy, as this will enhance the capacity and improve the service delivery for our patients. In 2015, two new hospitals namely, KPJ Pahang and KPJ Perlis, will be added to the KPJ network of hospitals. The Group envisage that the new additions will contribute towards the revenue growth in 2015 along with the other existing hospitals.

However, most new greenfield hospitals have an average gestation period between three to five years, therefore it is anticipated that this will moderate the Group results and performance.

B4 PROFIT FORECAST / GUARANTEE

The Company is not subject to any variance of actual profit from forecast profit/profit guarantee for the current financial period under review.

B5 TAXATION

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Taxation	23,199	22,949	64,984	47,367

The effective tax rate of the Group for the period ended 31 December 2014 is higher than the statutory tax rate due to the Group is unable to utilise the benefits of current year accumulated losses from the newly opened subsidiaries to net off the total tax expenses for the Group.

B6 STATUS OF CORPORATE PROPOSALS

a) Free Warrants (2010/2015)

On 15 January 2010, the Company has granted 131,906,484 units of listed and quoted free warrants ("Free Warrants") on the basis of one (1) Free Warrant for every four (4) shares held by the entitled shareholders of the Company with an exercise price of RM1.70 per unit (converted into ordinary shares at par value of RM0.50).

Subsequent to the Bonus Issue in December 2013, the exercise price of the warrants is now revised to RM1.14 per unit (converted into ordinary share at par value RM0.50).

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

a) Free Warrants (2010/2015) (continued)

Set out below are details of Free Warrants granted by the Company:

	Number of shares <u> </u> '000
Issued on 15.01.2010	131,907
Exercised in Financial Year Ended 2010	(32,281)
	<u> </u>
Balance not exercised as at 01.01.2011	99,626
Exercised in Financial Year Ended 2011	(25,077)
	<u> </u>
Balance not exercised as at 01.01.2012	74,549
Exercised in Financial Year Ended 2012	(61,197)
	<u> </u>
Balance not exercised as at 01.01.2013	13,352
Exercised in Financial Year Ended 2013	(8,448)
Additional Warrants issued as a result of Bonus Shares issued on 27.12.2013	2,452
	<u> </u>
Balance not exercised as at 01.01.2014	7,356
Additional Warrants issued as a result of Right Shares issued on 29.01.2014	96
Exercised in Financial Year Ended 2014	(5,201)
	<u> </u>
Balance not exercised as at 01.01.2015	<u> </u> 2,251

Pursuant to the terms and conditions stipulated in the Deed Poll dated 29 October 2009, the subscription rights of the Warrants expired on Monday, 12 January 2015. As at this expiry date, the total number of unexercised warrants is 101,091.

Hence, this completed the corporate exercise which started in 2010.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

a) Free Warrants (2014/2019)

On 29 January 2014, the Warrants 2014/2019 are issued for free to the subscribers of the renounceable rights issue of 43,637,326 new ordinary shares of RM0.50 each in KPJ Healthcare Berhad Rights Shares on the basis of one (1) Rights Share for every fifteen (15) existing KPJ Shares held by the entitled shareholders of the Company, together with 87,274,652 free detachable new warrants ("Warrant(s) 2014/2019") on the basis of two (2) Warrants 2014/2019 for every one (1) Rights Share subscribed at an issue price of RM2.80 per Rights Share ("Rights Issue").

Set out below are details of Free Warrants granted by the Company:

	Number of shares <u>'000</u>
Issued on 29.01.2014 and balance as at 31.12.2014	87,275

b) Proposed Combination of New Issue of Securities KPJ Healthcare Berhad ("KPJHB")

On 28 November 2013, at the Extraordinary General Meeting, the shareholders of KPJHB have duly approved the combination of new issue detailed out below:

- (i) Proposed renounceable rights issue of up to 43,968,866 new KPJ shares on the basis of one (1) rights share for every fifteen (15) existing KPJ shares held, together with up to 87,937,732 free detachable new warrants 2013/2018 on the basis of two (2) new warrants for every one (1) rights share subscribed.

On 29 January 2014, 43,637,326 Rights Shares and 87,274,652 New Warrants as well as 96,098 additional warrants 2010/2015 consequential to the Rights Issue were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Rights shares has an issue price of RM2.80, is arrived based on a discount of approximately thirty percent (30%) over the theoretical ex-all price of KPJ shares (after taking into account the Proposed Bonus Issue) based on the five (5)-day VWAP of KPJ shares immediately preceding the price fixing date.

The new shares issued arising from the Bonus Issue, Rights Issue and Free Warrants exercised shall upon issue and allotment, rank pari passu in all respects.

The exercise of the Rights Shares and New Warrants as well as additional warrants 2010/2015 consequential to the Rights Issue were completed on 29 January 2014.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

b) Proposed Combination of New Issue of Securities KPJ Healthcare Berhad ("KPJHB") (continued)

The gross proceeds from the Rights Issue of Shares with Warrants of RM122,185,000 was utilised as follows:

Descriptions	Proposed Utilisation RM'000	Actual utilisation as at 31 Dec 2014 RM'000	Amount unutilised as at 31 Dec 2014 RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Business expansion	80,000	49,600	30,400	Within 36 months
Repayment of borrowings	35,000	35,000	-	Within 12 months
Working capital	4,185	4,185	-	Within 12 months
Estimated expenses for the Bonus Issue and Rights Issue	3,000	3,000	-	Within 3 months
Total estimated proceeds	122,185	91,785	30,400	

c) Proposed Disposal of Two (2) Parcels of Freehold Lands Together With Buildings ("Properties") by Puteri Nursing College Sdn Bhd ("PNCSB")

On 3 October 2014, PNCSB, a wholly owned subsidiary of KPJ Healthcare Berhad, entered into a sale and purchase agreement ("SPA") with AmanahRaya Trustees Berhad ("Trustee"), on behalf of Al-'Aqar, to dispose the Properties for a total disposal consideration of RM77,800,000 upon the terms and conditions of the SPA ("Proposed Disposal").

Upon completion of the Proposed Disposal, PNCSB will enter into a lease agreement with Al-'Aqar, represented by its Trustee, and Damansara REIT Managers Sdn Berhad, being the manager of Al-'Aqar, for the lease of the Properties to PNCSB upon terms and conditions of the Lease Agreement to be agreed between the aforesaid parties.

On 12 February 2015, PNCSB exchanged letter with the Purchaser, to vary the terms of the Deferred Consideration Units ("**Exchange Letter**") for the inclusion of the following terms:-

(i) Minimum issue price for the Deferred Consideration Units

The issue price of the Deferred Consideration Units shall not be below RM1.04, based on the net assets value per unit of Al-'Aqar of RM1.15 as at 30 September 2014, being the latest available quarterly results of Al-'Aqar as at the date of the Exchange Letter, incorporating ten percent (10%) discount.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

c) Proposed Disposal of Two (2) Parcels of Freehold Lands Together With Buildings ("Properties") by Puteri Nursing College Sdn Bhd ("PNCBSB") (continued)

(ii) Abnormal Market Condition

The Deferred Consideration Units shall not be issued during abnormal market conditions.

The proposed disposal is expected to be completed in the second (2nd) quarter of 2015.

d) Memorandum of Understanding ("MOU") Between Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), Pelaburan Hartanah Berhad and Nadayu Properties Berhad.

On 16 October 2014, KPJSB had signed a MOU with Pelaburan Hartanah Berhad ("PHB") and Nadayu Properties Berhad ("NPB") for the proposed development and leasing of a purpose-built hospital building to be known as the "KPJ Damansara Specialist Hospital II" by PHB to KPJSB.

The Parties shall execute three (3) agreements, namely Sale and Purchase Agreement ("SPA"), the Agreement to Lease ("ATL") and Lease Agreement ("LA") which shall be executed within six (6) months from the date of the execution of MOU.

e) Proposed Combination of New Issue of Securities KPJ Healthcare Berhad ("KPJ")

On 21 October 2014, Board of Directors announced that the Company proposes to undertake the following:-

- i. Proposed establishment of an employees' share option scheme of up to 10.0% of the enlarged issued and paid-up share capital of KPJ, to be granted to eligible directors and employees of KPJ and its subsidiaries ("KPJ Group"), which are not dormant;
- ii. Proposed restricted issue via Section 132D of the Companies Act, 1965 of up to 28,000,000 new ordinary shares of RM0.50 each in KPJ, representing approximately 2.5% of the issued and paid-up share capital, to selected resident consultants of KPJ Group; and
- iii. Proposed amendment to the Articles of Association.

The listing proposals was submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 23 October 2014 and approved on 31 October 2014 by ensuring full compliance of all the requirements as provided under the Main Market Listing Requirements of Bursa Securities at all times.

The proposed combination of New Issue of Securities is expected to be completed in the first (1st) quarter of 2015.

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KPJ HEALTHCARE BERHAD

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

f) Proposed establishment of "Sukuk Programmes" by Point Zone (M) Sdn Bhd

On 3 November 2014, Point Zone (M) Sdn Bhd ("Point Zone") (a wholly-owned subsidiary of KPJ Healthcare Berhad ("KPJ")) received the authorisation from the Securities Commission Malaysia to establish the Sukuk Programmes.

The Sukuk Programmes is the proposed Islamic Commercial Papers ("ICP") pursuant to an ICP Programme and proposed Islamic Medium Term Notes ("IMTN") pursuant to an IMTN Programme, with a combined limit of up to RM1.5 Billion in Nominal Value for the Sukuk Programmes and a sub-limit of RM500.0 Million in Nominal Value for the ICP Programme, based on the Shariah principle of Murabahah.

The proceeds raised from the Sukuk Programmes shall be utilised to refinance the outstanding amount under the existing Islamic Commercial Papers/Islamic Medium Term Notes Programme of up to RM450.0 Million and to advance to KPJ to finance the expansion and working capital requirements of the KPJ group's healthcare and healthcare related businesses (including to finance/refinance any borrowings incurred in relation thereto).

The proposed establishment of Sukuk Programmes is expected to be completed in the first (1st) quarter of 2015.

g) Islamic Commercial Papers ("ICP") / Islamic Medium Term Notes ("IMTN") Programme of up to RM500.0 Million in Nominal Value ("ICP/IMTN Programme")

Point Zone (M) Sdn Bhd ("**Point Zone**") (a wholly-owned subsidiary of KPJ Healthcare Berhad) had on 10 December 2014 redeemed the entire outstanding amount under the ICP/IMTN Programme.

In this respect, Point Zone has cancelled the ICP/IMTN Programme on 16 December 2014 as Point Zone has no intention to reissue the ICP or IMTN under the ICP/IMTN Programme.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B7 BORROWINGS

Details of the Group's borrowings as at 31 December 2014 are as follows:

	<u>31.12.2014</u>	<u>Audited</u>
	RM'000	<u>31.12.2013</u>
		RM'000
<u>Current</u>		
Bridging loan	449,000	0
Term loans		
- Islamic (secured)	33,306	4,683
- Conventional (secured)	10,134	2,444
Revolving Credit		
- Islamic (unsecured)	338,133	277,027
- Conventional (unsecured)	57,416	55,900
Hire Purchase and lease liabilities		
- Islamic (secured)	15,978	8,516
- Conventional (secured)	12	1,912
Bank overdrafts		
- Conventional (unsecured)	6,226	8,140
	<u>910,205</u>	<u>358,622</u>
<u>Non current</u>		
Islamic Commercial papers (unsecured)	0	499,000
Term loans		
- Islamic (secured)	234,034	85,353
- Conventional (secured)	65,938	51,561
Hire Purchase and lease liabilities		
- Islamic (secured)	34,972	29,573
- Conventional (secured)	132	3,383
	<u>335,076</u>	<u>668,870</u>
Grand total	<u><u>1,245,281</u></u>	<u><u>1,027,492</u></u>

B8 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

As at the date of the issue of this report, there were no financial instruments with off balance sheet risk.

B9 MATERIAL LITIGATIONS

On 13 January 2014, Hospital Penawar Sdn Bhd had filed an Application for leave to appeal to the Federal Court against the Court of Appeal's decision dated 12 December 2013 ("the Said Application").

The unsealed copy of the Said Application was served on the Company's solicitors on 10 January 2014. The Federal Court has fixed the Said Application for hearing on 28 May 2015.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B10 DIVIDENDS

In respect of the financial year ending 31 December 2014, the Directors declared:

- (i) 1st interim single tier dividend of 1.45 cents per share on 1,022,500,184 ordinary shares amounting to RM14,826,250. The dividend was declared on 26 May 2014 and was fully paid on 18 July 2014.
- (ii) 2nd interim single tier dividend of 1.45 cents per share on 1,014,618,755 ordinary shares amounting to RM14,711,970. The dividend was declared on 26 August 2014 and was fully paid on 21 October 2014.
- (iii) 3rd interim single tier dividend of 2.00 cents per share on 1,015,157,631 ordinary shares amounting to RM20,303,153. The dividend was declared on 26 November 2014 and was fully paid on 22 January 2015.

The total interim dividend declared for financial year ended 31 December 2014 is 4.90 cents per RM0.50 ordinary shares, bringing a total of RM49,841,373, and was fully paid to our shareholders.

B11 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the Group's net profit attributable to ordinary equity holders by the average number of ordinary shares in issue during the financial year.

	<u>31.12.2014</u>	<u>12 months ended</u> <u>31.12.2013</u>
Profit for the financial year attributable to equity holders of the Company (RM'000)	139,667	103,114
Adjusted number of ordinary shares in issue ('000)	1,030,748	981,840
Basic earnings per share (sen)		
- at par value RM0.50	<u>13.55</u>	<u>10.50</u>

*The bonus issue was without consideration and it is treated as if it had occurred before the beginning of 1 January 2012.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B11 EARNINGS PER SHARE (CONTINUED)

(b) Diluted

For the diluted earnings per share calculation, the average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares for the Group are the warrants issued.

For the share warrants issued, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the 'bonus' element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to profit for the financial year for the warrants calculation.

	<u>12 months ended</u>	
	<u>31.12.2014</u>	<u>31.12.2013</u>
Profit for the financial year attributable to equity holders of the Company (RM'000)	139,667	103,114
Number of ordinary shares in issue ('000)	1,030,748	981,840
Adjusted number of ordinary shares in issue and issuable ('000)	90,020	103,272
Number of ordinary shares for diluted earnings per share ('000)	1,120,768	1,085,112
Diluted earnings per share (sen) - at par value RM0.50	<u>12.46</u>	<u>9.50</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

B12 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realized and unrealized retained profits/(accumulated losses) is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	<u>As at</u> <u>31.12.2014</u> RM'000	<u>As at</u> <u>31.12.2013</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	610,647	537,549
- Unrealised gains	(27,462)	(21,902)
	<u>583,185</u>	<u>515,647</u>
Total share of retained profits from associates		
- Realised gains	80,499	82,664
- Unrealised gains	(2,742)	(2,644)
	<u>660,942</u>	<u>595,667</u>
Less: Consolidation adjustments	(24,494)	(49,045)
Total group retained profits as per consolidated financial statements	<u><u>636,448</u></u>	<u><u>546,622</u></u>